SECURITIES NOTE

dated February 13, 2024

32 200 iX US Short-Term Treasury Exchange Traded Notes[1] due October 05, 2030

issued under

REGISTRATION DOCUMENT

dated February 13, 2024

EXCHANGE TRADED NOTES PROGRAMME

This document constitutes a Security Note for the purposes of AIFC Market Rules No.FR0003 in respect of Exchange Traded Notes, issued by iX US Short-Term Treasury SPC Limited.

This Securities Note dated February 13, 2024 for iX US Short-Term Treasury Exchange Traded Notes due October 05, 2030 (the "**Securities Note**") shall be read in conjunction with the Registration Document for Exchange Traded Notes Programme of AIX FM Limited dated February 13, 2024, including any amendments thereto (the "**Registration Document**"), and the Prospectus Summary for iX US Short-Term Treasury Exchange Traded Notes due October 05, 2030 (the "**Prospectus Summary**") (all three documents together, the "**Prospectus**"). These three documents collectively form the Prospectus for the purposes of AIFC Market Rules No.FR0003.

All provisions of the Registration Document and Prospectus Summary are incorporated in this Securities Note by the reference. In the event of discrepancies between the conditions of the Registration Document and/or Prospectus Summary and this Securities Note conditions of this Securities Note shall prevail.

Terms not otherwise defined herein, shall have the meaning specified in the Registration Document.

This Securities Note upon its publication and effective from February 13, 2024 supersedes the Securities Note of iX US Short-Term Treasury SPC Limited Exchange Traded Notes due October 05, 2030 dated October 22, 2022.

General

- The iX US Short-Term Treasury Exchange Traded Notes (the "**ETNs**") are senior unsecured debt obligations of iX US Short-Term Treasury SPC Limited (the "**SPC**"), a special purpose company incorporated in the AIFC whose sole assets are shares in the Vanguard Short-Term Treasury ETF (Nasdaq ticker symbol: "VGSH") (the "**Shares**") (the "**Underlying ETF**") and Cash (together, "**Underlying Assets**"). The base currency of the Underlying ETF is US Dollars (US$).

- The Underlying ETF employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Treasury 1-3 Year Index (the "**Index**"). This Index includes fixed income securities issued by the U.S. Treasury (not including inflation-protected securities, floating rate securities and certain other security types), all with maturities between 1 and 3 years. The Underlying ETF and the Index are described in more detail on pages 18 to 20 of this Securities Note.

- The ETNs seek to provide investors a return linked to the performance of the Underlying ETF, reduced by the Expenses. If the price of Shares at the date of your sale of ETNs is greater than the price of Shares at the date of your purchase of ETNs, you will receive less due to accrued Expenses. The amount of accrued Expenses will reduce the amount, if any, you will receive at maturity, upon Redemption or upon Early Termination (as the case may be), which could result in a loss to you on your investment, even if the price of Shares at the date of your sale is greater than the price of Shares at the date of your purchase. **Any payment on the ETNs is subject to the SPC's ability to pay its obligations as they become due.**

- The ETNs are issued by the SPC, a special purpose company incorporated in the AIFC and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017). The SPC is a wholly-owned

[1] This amount represents the current number of ETNs outstanding. The Issuer may issue additional ETNs as further described in the Prospectus.

subsidiary of AIX FM Limited (the "**Management Company**"). The Management Company is itself a wholly-owned subsidiary of the Astana International Exchange Limited ("**AIX**").

- **An investment in the ETNs involves significant risks and is not appropriate for every investor. The ETNs should be purchased only by knowledgeable investors who understand the potential consequences of investing in the ETNs. Investors should consider their investment horizon as well as potential transaction costs when evaluating an investment in the ETNs and should regularly monitor their holdings of ETNs to ensure that they remain consistent with their investment strategies.**

- The ETNs are senior unsecured debt obligations of the SPC and mature on October 05, 2030.

- The ETNs do not guarantee any return on your investment. Prior to maturity of the ETNs, unless the ETNs are either redeemed or terminated in accordance with their terms, the ETN Holders will only be able to realise the value of their investment by selling the ETNs through a broker that is a trading member of AIX, the stock exchange within the AIFC. On maturity of the ETNs, the ETN Holders will receive Cash and/or Shares and the amount of such Cash and/or the number of Shares will be reduced by the Expenses.

- The ETNs will not pay any coupon. Any dividends paid by the Underlying ETF and received by the SPC will be used for the payment of Expenses and/or reinvestment in Shares.

- The base currency of the ETNs is US Dollars (US$) and the nominal value of the ETNs shall be expressed in US Dollars (US$). The nominal value of one ETN calculated as at the date of the initial Prospectus (being October 05, 2020) is equal to 6,24 US Dollars (US$). This nominal value is not a principal amount and, accordingly, does not provide the ETN Holder with a right to claim this amount from the SPC. The value and price of the ETNs will be subject to change on a daily basis, as described in the Prospectus.

- The ETNs are listed and admitted to trading on AIX under the ticker symbol "**IXT**". The SPC has no obligation to maintain any listing on any exchange or quotation system and no assurance can be given that the listing on AIX will be maintained.

- 32 200 ETNs have been issued by the SPC in the amount of the Initial Placement and are sold off-exchange to the Initial Purchaser where the consideration provided by the Initial Purchaser consists of 3 220Shares and cash in the amount of 1 000,00 US Dollars (US$). This amount represents the amount of the Initial Placement. Following the Initial Placement, ETNs are eligible for any public market sales. The SPC may issue additional ETNs or redeem existing ETNs, as further described in the Prospectus. As at the date of the Securities Note, the issued number of ETNs was 32 200 ETNs.

- Retail investors who qualify as an App Investor may subscribe for ETNs by filing an electronic request with SPC via the App. App Investors (other than Authorised Participant) have no right to require the SPC to redeem ETNs, but an App Investor may file an electronic request with SPC via the App for repurchase of its ETNs.

Investing in the ETNs involves a number of risks not associated with an investment in conventional debt securities. See the Section headed "Risk Factors" in the Registration Document, the Prospectus Summary and in this Securities Note for more information.

Astana International Exchange Ltd (AIX) and its related companies and their respective directors, officers and employees do not accept responsibility for the content of this Prospectus including the accuracy or completeness of any information or statements included in it. Liability for this Prospectus lies with the SPC. Nor has AIX, its directors, officers or employees assessed the suitability of the securities to which this Prospectus relates for any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the securities are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

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DEFINITIONS AND KEY TERMS

Acting Law of the AIFC	Has the same meaning as defined in clause 1 of Article 4 of the Constitutional Statute of the Republic of Kazakhstan "On the Astana International Financial Centre" No. 438-V ZRK, dated 7 December 2015.
App	Means a mobile application developed by AIX under brand name "Tabys" and leased out to SPC (acting through the Management Company) based on corresponding sub-license arrangements to facilitate communication and document transactions (subscription or buyback) in respect of ETNs between the SPC and the App Investor. The App can be downloaded to investor's mobile device subject to the terms of service of the App.
App Investor	An investor who has accepted the terms and conditions of the App Investor Agreement and the terms of service of the App for the purpose of ETN subscription and buyback with SPC.
Creation Amount	100 ETNs, subject to the right of the Management Company to modify the Creation Amount at any time at its sole and absolute discretion.
Custodian	Jusan Bank JSC, a legal entity incorporated under the laws of the Republic of Kazakhstan and acting as a custodian for the Shares and Cash owned by the SPC, pursuant to and in accordance with the terms and conditions of the Custody Agreement.
ISIN	KZX000000559.
Maturity Date	October 05, 2030.
Permitted Assets	The assets which the SPC is permitted to hold and own are: • Shares; and • Cash.
Placement Fee	Zero.
Primary Exchange or **Nasdaq**	The Nasdaq, Inc.
Redemption Fee	0.125 percent of a sum equal to the product of the NAV (as at the Business Day preceding the date of the Redemption Notice) multiplied by the number of ETNs redeemed, subject to the right of the Management Company to modify the Redemption Fee at any time at its sole and absolute discretion.
Redemption Amount	100 ETNs, subject to the right of the Management Company to modify the Redemption Amount at any time at its sole and absolute discretion.
SPC	iX US Short-Term Treasury SPC Limited ("**SPC**", "**we**", "**our**" or "**us**"), a special purpose company, registration number 200440900250, incorporated under the Acting Law of the AIFC on 30 April 2020 with registered address at Mangilik El 55, building 19, Astana, Kazakhstan, telephone +7(717) 223 53 66. The SPC is registered by Astana Financial Services Authority in the public register https://publicreg.myafsa.com/details/200440900250/ and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).
Underlying ETF	Vanguard Short-Term Treasury Index Fund ETF (Nasdaq ticker symbol: "VGSH").

NET ASSET VALUE

As at the date of this Securities Note, the Net Asset Value (“NAV”) was equal to 6.00 USD and consist of the following:

Date February 13, 2024

Type of asset	Value, USD
Cash	6,523.11
Shares (3 220 shares in the Vanguard Short-Term Treasury Index Fund ETF)	186,631.20
Gross asset value	193,154.31
Total accrued Expenses for account of ETN Holders	30.95
NAV	193,123.36
NAV per ETN (with 32 200 ETNs outstanding as at the date of this Securities Note)	6.00

Historical Net Asset Value (since inception, end of month values):

Month	**NAV per ETN, USD**	**Month**	**NAV per ETN, USD**
05 October 2020	6.23	May 2022	5,94
October 2020	6.23	June 2022	5,90
November 2020	6.23	July 2022	5,92
December 2020	6.18	August 2022	5,88
January 2021	6.18	September 2022	5,80
February 2021	6.18	October 2022	5,79
March 2021	6.17	November 2022	5,83
April 2021	6.17	December 2022	5,83
May 2021	6.17	January 2023	5,87
June 2021	6.15	February 2023	5,83
July 2021	6.16	March 2023	5,92
August 2021	6.16	April 2023	5,93
September 2021	6.14	May 2023	5,90
October 2021	6,12	June 2023	5,87
November 2021	6,12	July 2023	5,88

December 2021	6,08	August 2023	5,90
January 2022	6,06	September 2023	5,89
February 2022	6,03	October 2023	5,91
March 2022	5,94	November 2023	5,96
April 2022	5,91	December 2023	6,02
		January 2024	6,04

TERM AND CONDITIONS OF THE OFFER

The following is the general terms and conditions of the offer of of ETNs under this Securities Note.

Name of security	iX US Short-Term Treasury Exchange Traded Notes
Class of security	Senior unsecured debt notes
Form of security	Book-entered non-bearer securities in uncertificated form
Currency of security	US Dollars
Nominal value	The nominal value of one ETN calculated as at the date of the initial Prospectus (being October 05, 2020) is equal to 6,24 US Dollars (US$). This nominal value is not a principal amount and, accordingly, does not provide the ETN Holder with a right to claim this amount from the SPC.
Price of security	The value and price of the ETNs will be subject to change on a daily basis, as described in the Prospectus.
Governing law	Acting Law of the AIFC
Issuer	iX US Short-Term Treasury SPC Limited
Registrar	Astana International Exchange Registrar Ltd
Issue date	October 05, 2020
Maturity date	October 05, 2030
Offer period	Continuing offering
New issuances	The ETNs are issued on continuous basis in transactions with Authorised Participants. New ETNs are created by virtue of decision of the SPC on approval of the Prospectus.
Coupon	None
Repayment	Bullet at maturity, subject to the right of an Authorised Participant to require the SPC to redeem the ETNs, the right of the SPC to exercise Early Termination or (as the case may be) the right of the SPC to extend the term of the ETNs, each as described in the Prospectus.
ISIN	KZX000000559
Transferability	Freely transferable, no restrictions
Listing and trading	Astana International Exchange Limited
Date of admission to trading	October 06, 2020
Ticker	IXT
Initial issued quantity	32 200
Current issued quantity	32 200
Custodian	Jusan Bank JSC, Republic of Kazakhstan
Auditor	IAC Russell Bedford A+ Partners LLP, Republic of Kazakhstan
Underlying ETF	Vanguard Short-Term Treasury ETF (Nasdaq ticker symbol: “VGSH”).
Ranking of ETNs	The ETNs constitute direct, unconditional and unsecured obligations of the SPC and rank and will rank: (i) pari passu, without any preference among themselves; and (ii) as senior debt with preference over all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in each case, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors’ rights.
Potential investors	The ETNs are offered to the various categories of potential investors, that are eligible to invest in ETNs. Each potential investor shall consult with his/her financial and/or legal adviser on eligibility on ETNs in light of his/her particular circumstances.
Material interest and conflict of interest	Disclosures on affiliated companies within AIX group. AIX FM Limited is a wholly-owned subsidiary of AIX and acts as a Management company of the SPC and enters into all necessary agreements in the Prospectus on behalf of the SPC. Whereas, AIX CSD, AIX Registrar and AIX MLS are wholly-owned subsidiaries of AIX and may from time to time act as an administrator, registrar, transfer-agent, representative or otherwise as may be required from time to time in relation to the Prospectus, or be otherwise involved in or with other funds and clients which have similar investment objectives to those of the SPC. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the SPC. Each of these companies will, at all times, have regard in such event to its obligations to the SPC and will endeavor to ensure that such conflicts are resolved fairly and taking into account interests of the investors. Each of these companies has measures in place to minimize potential conflicts of interest. The services of companies provided to the SPC are not deemed to be exclusive and each of these companies shall be free to render similar services to others so long as its

	services hereunder are not impaired thereby and to retain for its own use and benefit all fees and other money payable thereby and companies shall not be under any duty to disclose to the SPC any fact or thing which comes to the notice of companies in the course of its rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties under contracts with the SPC. Conflicts of interest may also arise due to the widespread business operations of companies and their connected persons (CEO, CFO, Directors). The foregoing parties may effect transactions where those conflicts arise and shall not, subject to the terms of contracts be liable to account for any profit, commission or other remuneration arising. However, all transactions carried out by or on behalf of the SPC will be on arm's length terms. In the event that any conflicts of interest arise, each company will, at all times, have regard in such event to its obligations under contracts and, in particular, to its obligations to act in the best interests of the SPC and the ETN Holder (s) so far as practicable. Companies will endeavor to ensure that such conflicts are resolved fairly and taking into account interests of the investors.
The manner of placement, allocation and method of payment for ETNs	The ETNs are issued and redeemed by the SPC on a continued basis upon the request of the Authorised Participants. Any issuances of the ETNs are to be sold by the SPC to the Authorised Participants off-exchange in exchange for the Shares and Cash in proportion to the NAV. Upon completion of the placement, ETNs are eligible for any public market sales. Retail investors who qualify as an App Investor may subscribe for any number of ETNs or may request SPC to repurchase all or part of its ETNs by filing an electronic request with SPC via the App. Prospective investors may purchase or sell ETNs on AIX through a brokerage firm that is a trading member of AIX. The Authorised Participants have a right to redeem ETNs purchased from the SPC, on AIX or off-exchange. The redemptions of the ETNs are to be made off-exchange. **ETN Holders (other than Authorised Participant) have no right to require the SPC to redeem ETNs**.
The effect the issuance of the ETNs on the capital structure of the SPC	Continuing issuance and redemptions of ETNs (being debentures of the SPC) will not affect the capital structure of the SPC
Particulars of any commissions or other fees to be paid by the SPC in relation to the offer	The SPC is not planning to pay any fees or commissions in relation to the offer (except customarily fees of the Stock Exchange).
All relevant details of the appointment of an underwriter and/or a placing agent	Not applicable, the offer has no underwriter or a placing agent.
Details of the entities which have a firm commitment to act as intermediaries in secondary trading	As stated in this Prospectus, the Stock Exchange may at its sole discretion appoint a market maker to provide two-way bid and ask quotes for secondary trading. Such appointment and provision of trading quotes are not guaranteed and could be terminated at any point of time.

GENERAL TERMS OF THE ETNS

The following are general terms of the ETNs and other considerations you should take into account when deciding whether to invest in the ETNs.

What are the ETNs and how do they work?

The ETNs are unsecured senior debt obligations of iX US Short-Term Treasury SPC Limited, a special purpose company governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017) and incorporated in the AIFC. The assets of the SPC are a combination of shares in the Underlying ETF (the "**Shares**") and cash in US Dollars and Kazakhstan tenge in the hands of the SPC (the "**Cash**").

Over the term of the ETNs, the NAV will generally fluctuate in line with the change in value of the Underlying ETF, reduced by the Expenses (as explained in more detail immediately below).

Net Asset Value

The NAV equals:

the closing price of a Share as quoted on the Primary Exchange on the preceding Business Day
multiplied by
the number of Shares held by the SPC
plus
Cash
plus
accrued but not received dividends
plus
any other assets
less
accrued but unpaid Expenses
less
any other liabilities (excluding ETNs issued).

The NAV per ETN calculated by dividing the NAV by number of outstanding ETNs.

In calculation of the market price for securities and value of any other assets or liabilities the SPC usually uses the most appropriate valuation procedure including the closing price for such securities on any major stock exchange as well as other methods. Any assets or liabilities that are denominated in currency other than USD will be translated into USD at the prevailing market rates.
Besides, the SPC has a right, acting reasonably and prudently, to adjust the calculation of the NAV by excluding or (as the case may be) including certain items in order to determine the correct value of the assets of the SPC.

The NAV is calculated on each Business Day and usually published on the website of the Stock Exchange at www.aix.kz at 11:00 a.m. Astana time on that Business Day.

The NAV is rounded down to the nearest cent.

Expenses

The SPC shall pay the following expenses:

- operational fees;
- the management fee; and
- other expenses.

The above expenses of the SPC are deducted from, and reflected in the value of the SPC and, accordingly, the NAV. The effect of the SPC paying Expenses is therefore to reduce the NAV.

Any cash dividends received by the SPC in relation to the Shares owned by the SPC may be used for the payment of Expenses and/or reinvestment in Shares.
Total Expense Ratio

The Total Expense Ratio is the ratio of the Expenses, including operational fees and the management fee and the fees charged by the manager of the Underlying ETF, accrued on a daily basis, to the NAV. It is expected (but not guaranteed) that the Total Expense Ratio will not exceed 0.5 percent per annum.
For avoidance of doubt, any extraordinary expenses as well as any withholding (or other taxes) associated with the net cash dividends related to the Shares will not be included in expenses for the purpose of calculation of the Total Expense Ratio.

Right of the Management Company to pay Expenses
If at any time the Total Expense Ratio exceeds 0.5 percent per annum, the Management Company has a right, but is not obliged, to reimburse the SPC for such shortfall.
The Management Company may, but is not obliged to, pay any operational fees at its own expense, with or without reimbursement from the SPC.
The management fee and operational fees are described in more detail on this page of this Prospectus.

Operational fees
Operational fees include all costs, charges, fees and expenses incurred in the operation of the SPC, including transactional costs, banking costs, brokerage costs, borrowing costs, the costs and expenses of obtaining and maintaining authorisations or registrations with regulatory authorities, professional fees, expenses for auditing, interest payments and other fees.

Management fee
In accordance with the Management Agreement, the SPC shall pay a fee to the Management Company for the Management Company's services. Pursuant to and in accordance with the terms and conditions of the Management Agreement, the Management Company may modify the management fee, provided that the Total Expense Ratio may not exceed 0.5 percent per annum.

Calculation and payment of the management fee
The management fee will be accrued on a daily basis and paid monthly by the SPC.
In the event the SPC has insufficient cash to pay the management fee or other Expenses, the SPC may sell Shares in order to cover such Expenses.

Other Expenses
In addition to the Expenses indicated above, the SPC may, in exceptional circumstances, deduct costs that relate to the ETNs that arise outside the ordinary course of business such as taxes, litigation expenses and any other extraordinary expenses. These other expenses are for the account of the ETN Holders and, accordingly, will be reflected in the NAV.

Substitution of the current Underlying ETF for a new Underlying ETF

The SPC may change the Underlying ETF at its sole and absolute discretion. The circumstances under which the SPC may change the Underlying ETF include, but are not limited to:

- suspension of trading or delisting of the Shares on the official list of the Primary Exchange; and
- other conditions that may make it practically impossible to sell, purchase or obtain reasonable market prices for the Shares.

Should such conditions occur, the SPC, acting in good faith, must, decide whether to:

- substitute the current Underlying ETF with a new Underlying ETF, which new Underlying ETF shall, in all material respects, be substantially similar to the previous Underlying ETF; or
- exercise its right to Early Termination to redeem all of the outstanding ETNs.

In circumstances where the previous Underlying ETF is substituted for a new Underlying ETF, the SPC shall:

- inform the ETNs Holders by means of a notification on the website of the Stock Exchange at www.aix.kz;
- request the suspension of trading of the ETNs on the Stock Exchange;
- suspend the issuance and Redemptions of the ETNs;
- sell, on a best efforts basis, Shares in the previous Underlying ETF;
- purchase, on a best efforts basis, shares in the new Underlying ETF;
- calculate and publish the new NAV; and
- seek a lifting of the trading suspension on the Stock Exchange in respect of the ETNs.

Dividends and distributions received from the Shares

Any net cash dividends or other distributions associated with the Underlying ETF and paid to the SPC shall be retained by the SPC and may be used to cover the Expenses of the SPC. The ETN holders have no right or entitlement to any such dividends or other distributions.

The SPC has the right to use any cash owned by it for the purchase of Shares.

Changes to this Securities Note

The SPC may amend or change this Securities Note at any time in its sole and absolute discretion by the issuance of a supplementary Securities Note.

RISK FACTORS

Your investment in the ETNs will involve risks. The ETNs are not secured debt and are riskier than ordinary unsecured debt securities. As described in more detail below, the trading price of the ETNs may vary considerably before the Maturity Date due to, among other things, fluctuations in the markets and other events that are difficult to predict and beyond control of the SPC. This Section of the Securities Note describes additional risks related to these ETNs. In addition to these additional risks specific to these ETNs, you need to review the general risks associated with the ETNs in the respective section of the Registration Document and the Prospectus Summary, which are incorporated by reference in this Securities Note.

Besides, there are also risks related to the Underlying ETF as described below.

The SPC urges you to read the following information about these risks, together with the other information in the Prospectus, before investing in the ETNs.

RISK FACTORS RELATED TO THE ETNs

Concentration risk.
Almost all of the assets of the SPC are invested in the Shares, which creates a significant concentration on the Underlying ETF. Any negative movements in the price of Shares will directly adversely affect the NAV and the market price of ETNs.

The Underlying ETF may be replaced upon the occurrence of certain adverse events
If certain adverse events were to occur (including but not limited to suspension of trading or delisting of the Shares from the official list of the Primary Exchange) which make it practically impossible to sell or purchase, or (as the case may be) to obtain reasonable market prices for the Shares, then the SPC must, acting in the good faith, decide whether to substitute the current Underlying ETF with a new Underlying ETF, which new Underlying ETF shall, in all material respects, be substantially similar to the previous Underlying ETF, or exercise Early Termination to redeem all of the outstanding ETNs.

The SPC is a recently established entity with limited track record of operation
The SPC has been established on 30 April 2020 and has limited track record of operation. The SPC is a special purpose vehicle with a passive investment strategy and the asset classes in which it can invest are limited. Investments by the ETN Holders will be used by the SPC to purchase Permitted Assets only. Accordingly, the prospects of the SPC are fully dependent on the market demand for its ETNs and the performance of the Underlying ETF.

RISK FACTORS RELATED TO THE UNDERLYING ETF

Below are the principal risks related to the Underlying ETF taken from the prospectus of the Underlying ETF as of the date of this Securities Note. Potential investers are urged to read the full description of risks associated with the Underlying ETF in the most recent prospectus of the Underlying ETF available at https://investor.vanguard.com/investment-products/etfs prior to the purchase of any ETNs. The prospectus of the Underlying ETF might be changed/updated by the Underlying ETF from time to time as well as risk factors involved.

The Underlying ETF is subject to certain risks, including the principal risks noted below, any of which may adversely affect the Underlying ETF's net asset value per share, trading price, yield, total return and ability to meet its investment objective. The order of the below risk factors does not indicate the significance of any particular risk factor. The terms used in this Section are defined in the prospectus of the Underlying ETF.

The Underlying ETF is designed for investors with a low tolerance for risk, but you could still lose money by investing in it. The Underlying ETF is subject to the following risks, which could affect the Underlying ETF's performance, and the level of risk may vary based on market conditions:

Income risk, which is the chance that the Fund's income will decline because of falling interest rates. Income risk is generally high for short-term bond funds, so investors should expect the Fund's monthly income to fluctuate accordingly.

Interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk should be low for the Fund because it invests primarily in short-term bonds, whose prices are less sensitive to interest rate changes than are the prices of longer-term bonds.

Index sampling risk, which is the chance that the securities selected for the Fund, in the aggregate, will not provide investment performance matching that of the Fund's target index. Index sampling risk for the Fund is expected to be low.

Because ETF Shares are traded on an exchange, they are subject to additional risks:

• The Fund's ETF Shares are listed for trading on Nasdaq and are bought and sold on the secondary market at market prices. Although it is expected that the market price of an ETF Share typically will approximate its net asset value (NAV), there may be times when the market price and the NAV differ significantly. Thus, you may pay more or less than NAV when you buy ETF Shares on the secondary market, and you may receive more or less than NAV when you sell those shares.

• Although the Fund's ETF Shares are listed for trading on Nasdaq, it is possible that an active trading market may not be maintained.

• Trading of the Fund's ETF Shares may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of the Fund's ETF Shares may also be halted if (1) the shares are delisted from Nasdaq without first being listed on another exchange or (2) Nasdaq officials determine that such action is appropriate in the interest of a fair and orderly market or for the protection of investors.

An investment in the Fund is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Debt Securities—U.S. Government Securities. The term "U.S. government securities" refers to a variety of debt securities that are issued or guaranteed by the U.S. Treasury, by various agencies of the U.S. government, or by various instrumentalities that have been established or sponsored by the U.S. government. The term also refers to repurchase agreements collateralized by such securities. U.S. Treasury securities are backed by the full faith and credit of the U.S. government, meaning that the U.S. government is required to repay the principal in the event of default. Other types of securities issued or guaranteed by federal agencies and U.S. government-sponsored instrumentalities may or may not be backed by the full faith and credit of the U.S. government. The U.S. government, however, does not guarantee the market price of any U.S. government securities. In the case of securities not backed by the full faith and credit of the U.S. government, the investor must look principally to the agency or instrumentality issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitment. Some of the U.S. government agencies that issue or guarantee securities include the Government National Mortgage Association, the Export-Import Bank of the United States, the Federal Housing Administration, the Maritime Administration, the Small Business Administration, and the Tennessee Valley Authority. An instrumentality of the U.S. government is a government agency organized under federal charter with government supervision. Instrumentalities issuing or guaranteeing securities include, among others, the Federal Deposit Insurance Corporation, the Federal Home Loan Banks, and the Federal National Mortgage Association. From time to time, uncertainty regarding the status of negotiations in the U.S. government to increase the statutory debt ceiling could increase the risk that the U.S. government may default on payments on certain U.S. government securities, cause the credit rating of the U.S. government to be downgraded, increase volatility in the stock and bond markets, result in higher interest rates, reduce prices of U.S. Treasury securities, and/or increase the costs of various kinds of debt. If a U.S. Government-sponsored entity is negatively impacted by legislative or regulatory action, is unable to meet its obligations, or its creditworthiness declines, the performance of a fund that holds securities of the entity may be adversely impacted.

Debt Securities—Variable and Floating Rate Securities. Variable and floating rate securities are debt securities that provide for periodic adjustments in the interest rate paid on the security. Variable rate securities provide for a specified periodic adjustment in the interest rate, while floating rate securities have interest rates that change whenever there is a change in a designated benchmark or reference rate (such as the Secured Overnight Financing Rate (SOFR) or another reference rate) or the issuer's credit quality. There is a risk that the current interest rate on variable and floating rate securities may not accurately reflect current market interest rates or adequately compensate the holder for the current creditworthiness of the issuer. Some variable or floating rate securities are structured with liquidity features such as (1) put options or tender options that permit holders (sometimes subject to conditions) to demand payment of the unpaid principal balance plus accrued interest from the issuers or certain financial intermediaries or (2) auction-rate features, remarketing provisions, or other maturity-shortening devices designed to enable the issuer to refinance or redeem outstanding debt securities (market-dependent liquidity features). Variable or floating rate securities that include market-dependent liquidity features may have greater liquidity risk than other securities. The greater liquidity risk may exist, for example, because of the failure of a market-dependent liquidity feature to operate as intended (as a result of the issuer's declining creditworthiness, adverse market conditions, or other factors) or the inability or unwillingness of a participating broker-dealer to make a secondary market for such securities. As a result, variable or floating rate securities that include market-dependent liquidity features may lose value, and the holders of such securities may be required to retain them until the later of the repurchase date, the resale date, or the date of maturity. A demand instrument with a demand notice exceeding seven days may be considered illiquid if there is no secondary market for such security.

Debt Securities—Zero-Coupon and Pay-in-Kind Securities. Zero-coupon and pay-in-kind securities are debt securities that do not make regular cash interest payments. Zero-coupon securities generally do not pay interest. Zero-coupon Treasury bonds are U.S. Treasury notes and bonds that have been stripped of their unmatured interest coupons, or the coupons themselves, and also receipts or certificates representing an interest in such stripped debt obligations and coupons. The timely payment of coupon interest and principal on these instruments remains guaranteed by the full faith and credit of the U.S. government. Pay-in-kind securities pay interest through the issuance of additional securities. These securities are generally issued at a discount to their principal or maturity value. Because such securities do not pay current cash income, the price of these securities can be volatile when interest rates fluctuate. Although these securities do not pay current cash income, federal income tax law requires the holders of zero-coupon and pay-in-kind securities to include in income each year the portion of the original issue discount and other noncash income on such securities accrued during that year. Each fund that holds such securities intends to pass along such interest as a component of the fund's distributions of net investment income. It may be necessary for the fund to liquidate portfolio positions, including when it is not advantageous to do so, in order to make required distributions.

Interfund Borrowing and Lending. The SEC has granted an exemption permitting registered open-end Vanguard funds to participate in Vanguard's interfund lending program. This program allows the Vanguard funds to borrow money from and lend money to each other for temporary or emergency purposes. The program is subject to a number of conditions, including, among other things, the requirements that (1) no fund may borrow or lend money through the program unless it receives a more favorable interest rate than is typically available from a bank for a comparable transaction, (2) no fund may lend money if the loan would cause its aggregate outstanding loans through the program to exceed 15% of its net assets at the time of the loan, and (3) a fund's interfund loans to any one fund shall not exceed 5% of the lending fund's net assets. In addition, a Vanguard fund may participate in the program only if and to the extent that such participation is consistent with the fund's investment objective and investment policies. The boards of trustees of the Vanguard funds are responsible for overseeing the interfund lending program. Any delay in repayment to a lending fund could result in a lost investment opportunity or additional borrowing costs.

Investing for Control. Each Vanguard fund invests in securities and other instruments for the sole purpose of achieving a specific investment objective. As such, a Vanguard fund does not seek to acquire, individually or collectively with any other Vanguard fund, enough of a company's outstanding voting stock to have control over management decisions. A Vanguard fund does not invest for the purpose of controlling a company's management.

Market Disruption. Significant market disruptions, such as those caused by pandemics, natural or environmental disasters, war, acts of terrorism, or other events, can adversely affect local and global markets and normal market operations. Market disruptions may exacerbate political, social, and economic risks discussed above and in a fund's prospectus. Additionally, market disruptions may result in increased market volatility; regulatory trading halts; closure of domestic or foreign exchanges, markets, or governments; or market participants operating pursuant to business continuity plans for indeterminate periods of time. Such events can be highly disruptive to economies and markets and significantly impact individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of a fund's investments and operation of a fund. These events could also result in the closure of businesses that are integral to a fund's operations or otherwise disrupt the ability of employees of fund service providers to perform essential tasks on behalf of a fund.

Reliance on Service Providers, Data Providers, and Other Technology. Vanguard funds rely upon the performance of service providers to execute several key functions, which may include functions integral to a fund's operations. Failure by any service provider to carry out its obligations to a fund could disrupt the business of the fund and could have an adverse effect on the fund's performance. A fund's service providers' reliance on certain technology or information vendors (e.g., trading systems, investment analysis tools, benchmark analytics, and tax and accounting tools) could also adversely affect a fund and its shareholders. For example, a fund's investment advisor may use models and/or data with respect to potential investments for the fund. When models or data prove to be incorrect or incomplete, any decisions made in reliance upon such models or data expose a fund to potential risks.

Repurchase Agreements. A repurchase agreement is an agreement under which a fund acquires a debt security (generally a security issued by the U.S. government or an agency thereof, a banker's acceptance, or a certificate of deposit) from a bank, a broker, a dealer, or another counterparty that meets minimum credit requirements and simultaneously agrees to resell such security to the seller at an agreed-upon price and date (normally, the next business day). Because the security purchased constitutes collateral for the repurchase obligation, a repurchase agreement may be considered a loan that is collateralized by the security purchased. The resale price reflects an agreed-upon interest rate effective for the period the instrument is held by a fund and is unrelated to the interest rate on the underlying instrument. In these transactions, the securities acquired by a fund (including accrued interest earned thereon) must have a total value in excess of the value of the repurchase agreement and be held by a custodian bank until repurchased. In addition, the investment advisor will monitor a fund's repurchase agreement transactions generally and will evaluate the creditworthiness of any bank, broker, dealer, or other counterparty that meets minimum credit requirements to a repurchase agreement relating to a fund. The aggregate amount of any such agreements is not limited, except to the extent required by law. The use of repurchase agreements involves certain risks. One risk is the seller's ability to pay the agreed-upon repurchase price on the repurchase date. If the seller defaults, the fund may incur costs in disposing of the collateral, which would reduce the amount realized thereon. If the seller seeks relief under bankruptcy laws, the disposition of the collateral may be delayed or limited. For example, if the other party to the agreement becomes insolvent and subject to liquidation or reorganization under bankruptcy or other laws, a court may determine that the underlying security is collateral for a loan by the fund not within its control, and therefore the realization by the fund on such collateral may be automatically stayed. Finally, it is possible that the fund may not be able to substantiate its interest in the underlying security and may be deemed an unsecured creditor of the other party to the agreement.

Reverse Repurchase Agreements. In a reverse repurchase agreement, a fund sells a security to another party, such as a bank or broker-dealer, in return for cash and agrees to repurchase that security at an agreed-upon price and time. Under a reverse repurchase agreement, the fund continues to receive any principal and interest payments on the underlying security during the term of the agreement. Reverse repurchase agreements involve the risk that the market value of securities retained by the fund may decline below the repurchase price of the securities sold by the fund that it is obligated to repurchase. In addition to the risk of such a loss, fees charged to the fund may exceed the return the fund earns from investing the proceeds received from the reverse repurchase agreement transaction. A reverse repurchase agreement may be considered a borrowing transaction for purposes of the 1940 Act. A reverse repurchase agreement transaction will not be considered to constitute the issuance, by a fund, of a "senior security," as that term is defined in Section 18(g) of the 1940 Act, and therefore such transaction will not be subject to the 300% asset coverage requirement otherwise applicable to borrowings by a fund, if the fund covers the transaction in accordance with the requirements described under the heading "Borrowing." A fund will enter into reverse repurchase agreements only with parties whose creditworthiness has been reviewed and found satisfactory by the advisor. If the buyer in a reverse repurchase agreement becomes insolvent or files for bankruptcy, a fund's use of proceeds from the sale may be restricted while the other party or its trustee or receiver determines if it will honor the fund's right to repurchase the securities. If the fund is unable to recover the securities it sold in a reverse repurchase agreement, it would realize a loss equal to the difference between the value of the securities and the payment it received for them.

Securities Lending. A fund may lend its securities to financial institutions (typically brokers, dealers, and banks) to generate income for the fund. There are certain risks associated with lending securities, including counterparty, credit, market, regulatory, and operational risks. The advisor considers the creditworthiness of the borrower, among other factors, in making decisions with respect to the lending of securities, subject to oversight by the board of trustees. If the borrower defaults on its obligation to return the securities lent because of insolvency or other reasons, a fund could experience delays and costs in recovering the securities lent or in gaining access to the collateral. These delays and costs could be greater for certain types of foreign securities, as well as certain types of borrowers that are subject to global regulatory regimes. If a fund is not able to recover the securities lent, the fund may sell the collateral and purchase a replacement security in the market. Collateral investments are subject to market appreciation or depreciation. The value of the collateral could decrease below the value of the replacement investment by the time the replacement investment is purchased. Currently, a fund invests cash collateral into Vanguard Market Liquidity Fund, an affiliated money market fund that invests in high-quality, short-term money market instruments. The terms and the structure of the loan arrangements, as well as the aggregate amount of securities loans, must be consistent with the 1940 Act and the rules or interpretations of the SEC thereunder. These provisions limit the amount of securities a fund may lend to 33⅓% of the fund's total assets and require that (1) the borrower pledge and maintain with the fund collateral consisting of cash, an irrevocable letter of credit, or securities issued or guaranteed by the U.S. government having at all times not less than 100% of the value of the securities lent; (2) the borrower add to such collateral whenever the price of the securities lent rises (i.e., the borrower "marks to market" on a daily basis); (3) the loan be made subject to termination by the fund at any time; and (4) the fund receives reasonable interest on the loan (which may include the fund investing any cash collateral in interest-bearing short-term investments), any distribution on the lent securities, and any increase in their market value. Loan arrangements made by a fund will comply with any other applicable regulatory requirements. At the present time, the SEC does not object if an investment company pays reasonable negotiated fees in connection with lent securities, so long as such fees are set forth in a written contract and approved by the investment company's trustees. In addition, voting rights pass with the lent securities, but if a fund has knowledge that a material event will occur affecting securities on loan, and in respect to which the holder of the securities will be entitled to vote or consent, the lender must be entitled to call the loaned securities in time to vote or consent. A fund bears the risk that there may be a delay in the return of the securities, which may impair the fund's ability to vote on such a matter. See Tax Status of the Funds for information about certain tax consequences related to a fund's securities lending activities. Pursuant to Vanguard's securities lending policy, Vanguard's fixed income and money market funds are not permitted to, and do not, lend their investment securities.

Tax Matters—Federal Tax Discussion. Discussion herein of U.S. federal income tax matters summarizes some of the important, generally applicable U.S. federal tax considerations relevant to investment in a fund based on the IRC, U.S. Treasury regulations, and other applicable authorities. These authorities are subject to change by legislative, administrative, or judicial action, possibly with retroactive effect. Each Fund has not requested and will not request an advance ruling from the Internal Revenue Service (IRS) as to the U.S. federal income tax matters discussed in this Statement of Additional Information. In some cases, a fund's tax position may be uncertain under current tax law and an adverse determination or future guidance by the IRS with respect to such a position could adversely affect the fund and its shareholders, including the fund's ability to continue to qualify as a regulated investment company or to continue to pursue its current investment strategy. A shareholder should consult his or her tax professional for information regarding the particular situation and the possible application of U.S. federal, state, local, foreign, and other taxes.

Tax Matters—Federal Tax Treatment of Derivatives, Hedging, and Related Transactions. A fund's transactions in derivative instruments (including, but not limited to, options, futures, forward contracts, and swap agreements), as well as any of the fund's hedging, short sale, securities loan, or similar transactions, may be subject to one or more special tax rules that accelerate income to the fund, defer losses to the fund, cause adjustments in the holding periods of the fund's securities, convert long-term capital gains into short-term capital gains, or convert short-term capital losses into long-term capital losses. These rules could therefore affect the amount, timing, and character of distributions to shareholders. Because these and other tax rules applicable to these types of transactions are in some cases uncertain under current law, an adverse determination or future guidance by the IRS with respect to these rules (which determination or guidance could be retroactive) may affect whether a fund has made sufficient distributions, and otherwise satisfied the relevant requirements, to maintain its qualification as a regulated investment company and avoid a fund-level tax.

Tax Matters—Market Discount or Premium. The price of a bond purchased after its original issuance may reflect market discount or premium. Depending on the particular circumstances, market discount may affect the tax character and amount of income required to be recognized by a fund holding the bond. In determining whether a bond is purchased with market discount, certain de minimis rules apply. Premium is generally amortizable over the remaining term of the bond. Depending on the type of bond, premium may affect the amount of income required to be recognized by a fund holding the bond and the fund's basis in the bond.

Tax Matters—Tax Considerations for Non-U.S. Investors. U.S. withholding and estate taxes and certain U.S. tax reporting requirements may apply to any investments made by non-U.S. investors in Vanguard funds. Certain properly reported distributions of qualifying interest income or short-term capital gain made by a fund to its non-U.S. investors are exempt from U.S. withholding taxes, provided the investors furnish valid tax documentation (i.e., IRS Form W-8) certifying as to their non-U.S. status. A fund is permitted, but is not required, to report any of its distributions as eligible for such relief, and some distributions (e.g., distributions of interest a fund receives from non-U.S. issuers) are not eligible for this relief. For some funds, Vanguard has chosen to report qualifying distributions and apply the withholding exemption to those distributions when made to non-U.S. shareholders who invest directly with Vanguard. For other funds, Vanguard may choose not to apply the withholding exemption to qualifying fund distributions made to direct shareholders, but may provide the reporting to such shareholders. In these cases, a shareholder may be able to reclaim such withholding tax directly from the IRS. If shareholders hold fund shares (including ETF shares) through a broker or intermediary, their broker or intermediary may apply this relief to properly reported qualifying distributions made to shareholders with respect to those shares. If a shareholder's broker or intermediary instead collects withholding tax where the fund has provided the proper reporting, the shareholder may be able to reclaim such withholding tax from the IRS. Please consult your broker or intermediary regarding the application of these rules. This relief does not apply to any withholding required under the Foreign Account Tax Compliance Act (FATCA), which generally requires a fund to obtain information sufficient to identify the status of each of its shareholders. If a shareholder fails to provide this information or otherwise fails to comply with FATCA, a fund may be required to withhold under FATCA at a rate of 30% with respect to that shareholder on fund distributions. Please consult your tax advisor for more information about these rules.

Other risk factors related to the Underlying ETF

Other risk factors related to the Underlying ETF are described in the Section entitled "Risk Factors" of the prospectus of the Underlying ETF issued in connection with the Shares and available at https://investor.vanguard.com/investment-products/etfs.

USE OF PROCEEDS

The net proceeds of the issue of the ETNs will be used by the SPC for investments in the Permitted Assets only.

UNDERLYING ETF

THE INFORMATION IN THIS SECTION HAS BEEN TAKEN "AS IS" FROM THE WEB-SITE (HTTPS://INVESTOR.VANGUARD.COM/INVESTMENT-PRODUCTS/ETFS) MAINTAINED FOR THIS UNDERLYING ETF AND THE SPC SHALL NOT BE LIABLE FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS SECTION. BECAUSE THE PERFORMANCE OF THE UNDERLYING ETF DIRECTLY AFFECTS THE VALUE AND PRICE OF THE ETNS POTENTIAL INVESTORS SHOULD REVIEW INFORMATION ABOUT THE UNDERLYING ETF AVAILABLE AT THE WEB-SITE HTTPS://INVESTOR.VANGUARD.COM/INVESTMENT-PRODUCTS/ETFS PRIOR TO PURCHASING ANY ETNS.

Overview

The return on the ETNs is linked to the performance of the Vanguard Short-Term Treasury ETF (Nasdaq ticker symbol: "VGSH") (the "**Underlying ETF**"). The Underlying ETF seeksto track the performance of a market-weighted Treasury index with a short-term dollar-weighted average maturity.

Key Facts

CUSIP	92206C102	Fund management	Vanguard Fixed Income Group
Management style	Index	Expense Ratio as of Dec 22, 2023	0.04%
Asset class	Short-Term Bond		
Category	Short Government		
Inception date	11/19/2009		

Portfolio characteristics (as of Jan 31, 2024)

Number of bonds	96	Yield to maturity	4.3%
Average coupon	2.5%	Average effective maturity	2.0 years
Average duration	1.9 years	Fund total net assets	$26.9 B
Short-term reserves	-	Share class total net assets	$22.5 B

Credit rating

Credit rating	**% of fund**
U.S. Government	99.80%
NR	0.20%

Fees and Expenses Attributable to Underlying ETF

The following table describes the fees and expenses you may pay if you buy, hold, and sell Shares of the Underlying ETF. You may pay other fees, such as brokerage commissions and other fees to financial intermediaries, which are not reflected in the table below.

Shareholder Fees (Fees paid directly from your investment)

Transaction Fee on Purchases and Sales	None*
Transaction Fee on Reinvested Dividends	None*
Transaction Fee on Conversion to Shares	None*

* None through Vanguard (Broker fees vary)

Annual Fund Operating Expenses (Expenses that you pay each year as a percentage of the value of your investment)

Management Fees	0.03%
12b-1 Distribution Fee	None
Other Expenses	0.01%
Total Annual Fund Operating Expenses	0.04%

Portfolio Turnover

The Underlying ETF pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in more taxes when the Underlying ETF shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses, reduce the Underlying ETF's performance. During the most recent fiscal year, the Underlying ETF's portfolio turnover rate was 81% of the average value of its portfolio.

Principal Investment Strategies of Underlying ETF

The Underlying ETF employs an indexing investment approach designed to track the performance of the Bloomberg U.S. Treasury 1-3 Year Index. This Index includes fixed income securities issued by the U.S. Treasury (not including inflation-protected securities, floating rate securities and certain other security types), all with maturities between 1 and 3 years.

The Underlying ETF invests by sampling the Index, meaning that it holds a range of securities that, in the aggregate, approximates the full Index in terms of key risk factors and other characteristics. All of the Underlying ETF's investments will be selected through the sampling process, and under normal circumstances, at least 80% of the Underlying ETF's assets will be invested in bonds included in the Index. The Underlying ETF maintains a dollar-weighted average maturity consistent with that of the Index. As of August 31, 2023, the dollar-weighted average maturity of the Index was 2 years..

Investment Advisor
The Vanguard Group, Inc. (Vanguard)

Portfolio Manager
Joshua C. Barrickman, CFA, Principal of Vanguard and co-head of Vanguard's Fixed Income Indexing Americas. He has managed the Fund since 2013.

Purchase and Sale of Underlying ETF Shares
Shares may only be bought and sold in the secondary market through a brokerage firm. The price you pay or receive for Shares will be the prevailing market price, which may be more (premium) or less (discount) than the net asset value of the shares. The brokerage firm may charge you a commission to execute the transaction. Unless imposed by your brokerage firm, there is no minimum dollar amount you must invest and no minimum number of shares you must buy. Shares of the Underlying ETF cannot be directly purchased from or redeemed with the Underlying ETF, except by certain authorized

broker-dealers. These broker-dealers may purchase and redeem Shares only in large blocks (creation units), typically in exchange for baskets of securities.
An investor may incur costs attributable to the difference between the highest price a buyer is willing to pay to purchase Shares (bid) and the lowest price a seller is willing to accept for Shares (ask) when buying or selling shares in the secondary market (bid-ask spread). Recent information, including information on the Underlying ETF's net asset value, market price, premiums and discounts, and bid-ask spreads, is available online at vanguard.com.

Additional information about Underlying ETF

For more information about Underlying ETF, visit the website at https://investor.vanguard.com/investment-products/etfs. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus of Underlying ETF; read and consider it carefully before investing.

SPC

iX US Short-Term Treasury SPC Limited, a special purpose company incorporated under the AIFC law on 30 April 2020 and governed by the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017). The LEI (Legal Entity Identifier) code of the SPC is 254900QV9YBDRIBGPI76. The SPC passed the necessary resolutions by virtue of which the ETNs have been created.

In addition to incorporating the SPC, the Management Company incorporated a number of special purpose companies in the AIFC. Each special purpose company is expected to issue exchange traded notes linked to the performance of various securities where such notes are intended to be listed and traded on the Stock Exchange.

Main business purpose
iX US Short-Term Treasury SPC Limited is incorporated with the principal business purpose of issuing and maintaining ETNs, the purchase of which will enable the ETN holders to participate in the performance (i.e., gains or losses) of the Underlying ETF.

Legal form
iX US Short-Term Treasury SPC Limited is incorporated in the form of a special purpose company in accordance with the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017), adopted by the board of directors of the Astana Financial Services Authority JSC.

The AFSA Registrar of Companies has issued a certificate of incorporation with respect to the SPC on 30 April 2020 and included it into the AFSA's public register at https://publicreg.myafsa.com/details/200440900250/.

Articles of association of the SPC
The articles of association of the SPC provide that the purpose of the Company is limited to conducting the following Exempt Activities (as such term is defined in the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017)):
(a) the issuance of exchange traded notes and conduct of any other transactions involving exchange traded notes;
(b) the acquisition (by way of leasing, title transfer, risk transfer or otherwise), the holding and the disposal of any asset (tangible or intangible, including, for example, recevables and shares) in connection with and for the purpose of the transactions referred to in paragraph (a) above;
(c) the obtaining of any type of financing (banking or capital markets), the granting of any type of security interest over its assets, the providing of any indemnity or similar support for the benefit of its shareholders or any of its subsidiaries, or the entering into of any type of hedging arrangements, in connection with and for the purpose of the transactions referred to in paragraph (a) above;
(d) the financing of the shareholder or another special purpose company;
(e) any other activity approved in writing by the Registrar of Companies of the AIFC; and
(f) any activity ancillary to an activity mentioned in paragraphs (a) to (f).
In addition, in accordance with the articles of association of the SPC the SPC shall be entitled to own and/or hold only those assets which are permitted to be owned or held under this Prospectus (as this Prospectus may be amended from time to time).

Directors
The Management Company, a wholly-owned subsidiary of AIX, act as the sole director and secretary of the SPC. The appointment of the Management Company, being a body corporate, as a director is permitted under Rule 6.1 of the AIFC Special Purpose Company Rules (AIFC Rules No. GR0001 of 2017).

Prospects of the Issuer
The SPC is a special purpose vehicle with a passive investment strategy and the asset classes in which it can invest are limited. Investments by the ETN Holders will be used by the SPC to purchase Permitted Assets only. Accordingly, the prospects of the SPC are fully dependent on the market demand for its ETNs and the performance of the Underlying ETF.

Auditor

The SPC has appointed IAC Russell Bedford A+ Partners LLP as its Auditor. The audited financial statements prepared in accordance with IFRS are published on the website of the Stock Exchange at www.aix.kz each year not later than the end of May.

Management Company

The SPC has appointed the Management Company, a wholly-owned subsidiary of AIX, as the Management Company, as described in the Registration Document. The Management Company and/or its affiliates is responsible for the provision of certain services and has a right to receive the management fee pursuant to the Management Agreement.

The SPC is run operationally by the Management Company under the Management Agreement. The Management Company outsources some of its functions from AIX.

Working Capital Statement

AIX FM Limited acting as a Director for the SPC believes that in its opinion and based on the passive investment approach of the SPC, the working capital is sufficient for the SPC's present requirements for at least the next 12 months from the date of this Securities Note.

Additional information

Reasons for the offer

The ETNs are offered to the potential investors in or from AIFC; net proceeds of the issue of the ETNs will be used by the SPC for investments in the Permitted Assets only. Estimated net amount of the proceeds is equal to the Initial Placement.

Creditworthiness of the Issuer

Information about the creditworthiness of the Issuer (earnings coverage ratio; any relevant credit ratings; any other risk factors that may affect the Issuer's ability to fulfil its obligations under the Notes, statement of capitalization and indebtedness) – not applicable.

Guarantees attached to the ETNs

There are no guarantees attached to the ETNs.

FINANCIAL INFORMATION OF THE SPC

The financial information of the SPC below as at and for the year ended 31 December 2022 was derived from the SPC's Financial Statements 2022, which have been audited by Russell Bedford A+ Partners Ltd and were prepared in accordance with IFRS. You should read the following selected financial information in conjunction with the SPC's Financial Statements for the Year ended 31 December 2022 and the notes thereto which are included in the annual report of the SPC, published on the website of AIX.

Except for the information extracted from the Financial Statements this Securities Note do not include any audited or reviewed financial information.

KZT is the presentation currency for the Financial Statements. The Financial Statements and financial information included in this section have, unless otherwise noted, been presented in KZT. All amounts are presented in KZT thousands (unless otherwise noted).

Rounding

Certain figures included in this Section of the Securities Note have been subject to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

STATEMENT OF FINANCIAL POSITION OF THE ISSUER

The table below sets forth the statement of financial position of the SPC, as at 31 December 2022.

	31 December 2022	31 December 2021
Assets		
Cash and cash equivalents	792	80
Financial assets at fair value through profit or loss	86,136	84,855
Total Assets	**86,928**	**84,935**
Equity		
Share capital	1	1
Retained earnings/(accumulated loss)	-	270
Total Equity	**1**	**271**
Liabilities		
Financial liabilities at fair value through profit or loss	86,886	84,585
Other liabilities	41	79
Total Liabilities	**86,927**	**84,664**
Total Equity and Liabilities	**86,928**	**84,935**

STATEMENT OF COMPREHENSIVE INCOME OF THE SPC

The table below sets forth the statement of comprehensive income of the SPC for the year ended 31 December 2022.

	2022	**2021**
Net gain/(loss) from changes in fair value of financial assets	(4,487)	(1,063)
Net gain/(loss) from changes in fair value of financial liabilities	3,758	1,392
Dividends income on financial assets	994	567
Remunerations repaid on financial liabilities	-	(189)
Operating income	**265**	**707**
Administrative expenses	(1,742)	(1,610)
Other income	1,207	1,320
Profit before income tax expense	**(270)**	**417**
Income tax expense	-	(147)

Profit for the period	**(270)**	**270**
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**(270)**	**270**

STATEMENT OF CASH FLOWS OF THE SPC

The table below sets forth the statement of cash flows of the SPC, as at 31 December 2022.

	2022	2021
Operating activities		
Management fee	(422)	(306)
Bank commissions	(13)	(4)
Net cash flows from operating activities	**(435)**	**(310)**
Investing activities		
Dividends received from financial assets	1,124	781
Net cash flows from investing activities	**1,124**	**781**
Financing activities		
Cash remunerations on financial liabilities	-	(728)
Net cash flows from financing activities	**-**	**(728)**
Net increase/(decrease) in cash and cash equivalents	**689**	**(257)**
Effect of exchange rates changes on cash and cash equivalents	23	3
Cash and cash equivalents, beginning of the period	80	334
Cash and cash equivalents, at the end of the period	**792**	**80**

STATEMENT OF CHANGES IN EQUITY OF THE SPC

The table below sets forth the statement of changes in equity of the SPC, as at 31 December 2022.

	Share capital	**Retained earnings**	**Total equity**
As at 31 December 2020	**1**	**-**	**1**
Total comprehensive income for the period	-	270	270
As at 31 December 2021	**1**	**270**	**271**
Total comprehensive income for the period	-	(270)	(270)
As at 31 December 2022	**1**	**-**	**1**

SELECTED FINANCIAL INFORMATION

Below is the additional information on selected items.

Financial assets at fair value through profit or loss

As at 31 December 2022 financial assets at fair value through profit or loss include investment in the form of exchange traded funds.

Issuer	**Currency**	**31 December 2022**		**31 December 2021**	
		Number of shares	**Market value**	**Number of shares**	**Market value**
Vanguard Short-Term Treasury ETF	US Dollar	**3,220**	**86,136**	3,220	84,855

		3,220	**86,136**	3,220	84,855

All financial assets are units in exchange traded fund ("ETF") acquired in the transaction with related party Astana International Exchange Market Liquidity Services Ltd ("AIX MLS Ltd.").

Changes in financial assets are as follow:

	1 January	ETF/ETN exchange	Dividend accrued andreceived	Changes in fair value	Foreign exchange	31 December
2022	**84,855**	**-**	**(277)**	**(4,487)**	**6,045**	**86,136**
2021	83,984	-	(258)	(1,063)	2,192	84,855

Financial liabilities at fair value through profit or loss

The terms of financial liabilities at fair value through profit or loss as at 31 December 2020 are as follows:

Issuer	Currency	31 December 2022		31 December 2021	
		Number of ETNs	Market value	Number of ETNs	Market value
iX US Short-Term Treasury SPC Limited	US Dollar	**32,200**	**86,886**	32,200	84,585
		32,200	**86,886**	32,200	84,585

Financial liabilities at fair value through profit or loss include exchange traded notes ("ETN") issued by the SPC and sold to the related party AIX MLS Ltd.

The ETNs are unsecured and can be redeemed by the SPC prior to maturity, which is 5 October 2030.

Changes in financial liabilities are as follow:

	1 January	ETF/ETN exchange	Coupon accrued and paid	Changes in fair value	Foreign exchange	31 December
2022	**84,585**	**-**	**-**	**(3,758)**	**6,059**	**86,886**
2021	84,314	-	(539)	(1,392)	2,198	84,585

Administrative expenses

	2022	2021
Audit	809	937

Management fee	393	380
Custodian service	370	281
Bank service	13	7
Other	157	5
	1,742	**1,610**

Other income

Other income is a reimbursement of administrative expenses by the Management Company according to management agreement in amount of 1,207 thousand tenge (From date of establishment to 31 December 2021: 1,320 thousand tenge).

Related Party Transactions

The major transactions with related parties for the years ended 31 December 2022 and 2021 were as follows:

	2022	2021
Administrative expenses		
AIX FM Ltd.	(393)	(380)
Other income		
AIX FM Ltd.	1,207	1,320

RESPONSIBILITY STATEMENT

Subject to the following paragraph, the SPC, having made all the reasonable enquiries, accepts responsibility for this Securities Note, the Prosectus Summary and the Registration Document (in accordance with Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules №FR0003 of 2017) and confirms that the Prospectus complies with the requirements set out in Section 69 of the AIFC Framework Regulations №18 of 2018 and Part 1 of the AIFC Market Rules №FR0003 of 2017 and contains all information which is material in the context of the issue of the ETNs, that the information contained in the Prospectus is correct to the best of its knowledge and that no material facts or circumstances have been omitted. The information in the Section "Underlying ETF" has been taken "as is" from the website (https://investor.vanguard.com/investment-products/etfs) maintained for the Underlying ETF and the SPC shall not be liable for the accuracy or completeness of the information contained in that Section. Because the performance of the Underlying ETF directly affects the value and price of the ETNs potential investors should review information about the Underlying ETF available at the website https://investor.vanguard.com/investment-products/etfs prior to purchasing any ETNs. The SPC confirms that such information has been accurately reproduced and is able to ascertain from the information published on the above-mentioned sources that no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of information is identified where used. The SPC accepts responsibility for correctly extracting such information from the sources and confirms that such information has been correctly extracted from those sources.

Neither the delivery of the Prospectus nor the offering, sale or delivery of any ETNs shall in any circumstances create any implications that there has been no adverse change, or any event reasonably likely to involve an adverse change, in the condition (financial or otherwise) of the Issuer since the date of the Prospectus.